



Difficult third quarter in 2014 due to strained commercial vehicles market

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For the MAN Group, the third quarter of the current fiscal year was again overshadowed by the difficult situation in the international commercial vehicles markets. In particular, the situation in Europe and South America — important sales markets for MAN — remains tense on the back of the economic downturn in these regions. In Europe, MAN is also still feeling the pull-forward effects from the introduction of the Euro 6 emission standard. Political uncertainties surrounding the Ukraine crisis and in the Middle East also had an impact.

This saw the MAN Group's order intake decline by 20% year-on-year to €3.5 billion in the third quarter of 2014. MAN Truck & Bus recorded an order intake of €2.1 billion in the third quarter of 2014, substantially below the prior-year figure (€2.8 billion). It should however be noted that the previous year includes pull-forward effects in connection with the Euro 6 emission standard. MAN Latin America's orders were also down year-on-year in the third quarter of 2014, declining by 26% to €534 million. This was primarily due to the significant deterioration in the market environment and the depreciation of the Brazilian real. In the Commercial Vehicles business area, order intake for the first nine months was 13% lower than in the previous year. By contrast, the order situation was slightly better in the Power Engineering business area, where order intake rose to €2.7 billion in the same period. MAN Diesel & Turbo's marine business picked up again, lifting order intake by 7% to over €2.4 billion in the first three quarters. At €321 million, Renk did not match the prior-year figure.

The MAN Group's sales revenue declined by approximately 5% year-on-year to €3.5 billion in the third quarter. The figure for the first nine months of 2014 was down 10% at €10.2 billion. The Commercial Vehicles business area generated sales revenue of approximately €2.5 billion in the period from July to September 2014. The Power Engineering business area saw sales revenue increase year-on-year and contributed €1.0 billion to the MAN Group's sales revenue.

The MAN Group's operating profit improved significantly as against the previous year, rising by €268 million to €304 million in the first nine months

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of fiscal 2014. The MAN Group's operating return on sales was 3.0% (previous year: 0.3%). However, a look at the third quarter of 2014 reveals a different picture: The Commercial Vehicles business area recorded an operating profit of €18 million, while the Power Engineering business area generated an operating profit of €83 million. This corresponds to a decline of €80 million and €20 million, respectively, as against the prior-year quarter. This is largely attributable to the lower capacity utilization at MAN Truck & Bus and the significant decline in sales volumes at MAN Latin America.

In the past, MAN was able to rely on its business areas to compensate for difficult situations — and this is also the case today. For example, the Power Engineering business area accounted for the largest share of the MAN Group's operating profit in the period from January to September 2014. However, MAN Diesel & Turbo's operating profit also deteriorated year-on-year on the third quarter of 2014 and amounted to €59 million. By contrast, Renk reported a very good quarter, with operating profit increasing to €24 million.

Dr. Georg Pachta-Reyhofen, CEO of MAN SE, said: "Overall, our figures are certainly less than satisfactory. This is why we are doing everything we can to get back on track as soon as possible. For example, we have successfully introduced cost-cutting measures over the past few months such as changes to the production structure in the bus business, the introduction of short-time working in Steyr and Salzgitter, and strict cost discipline. Some of these cuts are painful. But they are necessary. The outstanding response to our products and services showcased at the SMM and the IAA — both large trade fairs — in September shows that we can look to the future with confidence."

MAN is expecting a significant year-on-year decline in sales revenue and moderately higher operating profit for fiscal year 2014. The MAN Group's operating return on sales will slightly exceed the 2013 figure.